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Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT
 FOR THE EASTERN DISTRICT OF WASHINGTON
 AT YAKIMA

TINFRA, LLC, a Delaware limited liability company,)	NO. 2;23-CV-00082
)	
Plaintiff,)	
)	DEFENDANTS’ MOTION TO DISMISS
vs.)	PLAINTIFF’S COMPLAINT FOR LACK
)	OF SUBJECT MATTER JURISDICTION
)	
BIT CAPITAL GROUP, LLC, a Delaware limited liability company; JIMMY ODOM, an individual; and JAMES THOMMES, an individual,)	JURY TRIAL DEMANDED
)	
Defendants.)	

COME NOW Defendants Bit Capital Group, LLC (“Bit Cap”), Jimmy Odom, and James Thommes, and for their Motion to Dismiss Plaintiff’s Complaint for Lack of Subject Matter Jurisdiction pursuant to Federal Rule of Civil Procedure 12(b)(1), state:

INTRODUCTION

Subject matter jurisdiction is lacking because there is not complete diversity among plaintiffs and defendants.

The Plaintiff, Tinfra, LLC, is a citizen of Illinois. A limited liability company, like Tinfra, “is a citizen of every state of which its owners/members are citizens.” *Johnson v.*

1 *Columbia Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006). The sole member of
2 Tinfra, LLC, is Telnyx, LLC. (ECF No. 6). In turn, the sole member of Telnyx, LLC, is Telnyx,
3 Inc. *Id.* As Tinfra’s corporate disclosures show, Telnyx, Inc., has its principal place of business
4 in Illinois, making Plaintiff Tinfra a citizen of Illinois. *Id.*

5 Defendant Bit Cap is also a citizen of Illinois. One of Bit Cap’s members is Realis Group,
6 LLC. Israel Idonije and Kelly Speck, each members of Realis Group, are individual citizens of
7 Illinois. (*See* Ex. A, Declaration of Jimmy Odom). This makes Bit Cap a citizen of Illinois.
8 Plaintiff’s jurisdictional allegations in its Complaint are incorrect as to Bit Cap. (*See* ECF 1, ¶¶
9 6, 9).

10 Because complete diversity between Plaintiffs and Defendants is lacking, Plaintiff’s
11 Complaint should be dismissed for want of subject matter jurisdiction.

12 ARGUMENT

13 A Plaintiff’s complaint may be dismissed for lack of subject jurisdiction pursuant to a
14 motion filed under Rule 12(b)(1). “The party seeking to invoke the district court’s diversity
15 jurisdiction always bears the burden of both pleading and proving diversity jurisdiction.”
16 *Rainero v. Archon Corp.*, 844 F.3d 832, 840 (9th Cir. 2016). Here, Plaintiff Tinfra incorrectly
17 alleges the Court has diversity jurisdiction.

18 Under 28 U.S.C. § 1332, the Court has diversity jurisdiction over civil actions where the
19 matter in controversy exceeds \$75,000 and is between “citizens of different states.” The
20 “complete diversity rule” stemming from this quoted language requires that “each of the
21 plaintiffs must be a citizen of a different state than each of the defendants.” *Allstate Ins. Co. v.*
22 *Hughes*, 358 F.3d 1089, 1095 (9th Cir. 2004). Under this rule, “the presence in the action of a
23 single plaintiff from the same State as a single defendant deprives the district court of original

1 diversity jurisdiction over the entire action.” *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545
2 U.S. 546, 553 (2005).

3 The citizenship of limited liability companies is determined by reference to the
4 citizenship of its members. That is, an LLC is a citizen of every state in which its members are
5 citizens. *Johnson*, 437 F.3d at 899. If the members of the LLC are also business entities—like
6 LLCs or corporations—then courts trace the citizenship of these “downstream” business entities
7 to determine the citizenship of the LLC named as a party in the lawsuit. *Asana Partners Fund*
8 *II Reit 14 LLC v. Heath Fam. I LLC*, No. C20-1034-JCC, 2020 WL 7241449, at *3 (W.D. Wash.
9 Dec. 9, 2020) (“It is well established that Plaintiffs must ‘trace[] through however many layers
10 of partners or members there may be’ to establish the citizenship of the underlying parties.”)
11 (quoting *Meyerson v. Harrah's E. Chicago Casino*, 299 F.3d 616, 617 (7th Cir. 2002)).

12 Indeed, the Ninth Circuit in *Johnson* looked beyond the first layer of unincorporated
13 entities to determine the citizenship of a defendant. *Johnson*, 437 F.3d at 896, 899. There, the
14 defendant was a limited partnership whose only partners were two LLCs. *Id.* at 896. One of the
15 members of the LLCs was a trust. *Id.* at 899. To determine the citizenship of the underlying
16 plaintiff, the court looked to the citizenship of the trust’s trustee, even though the trustee was
17 several layers removed from the underlying plaintiff (Plaintiff limited partnership → partner
18 LLC → member trust → trustee). *See id.*

19 Here, tracing the citizenship of Plaintiff Tinfra, LLC’s, members demonstrates it is a
20 citizen of Illinois. Tinfra’s sole member is Telnyx, LLC, another limited liability company,
21 whose sole member of Telnyx, LLC, is Telnyx, Inc. (ECF 1, ¶¶ 7-8). The citizenship of Telnyx,
22 Inc., which is a corporation, determines Plaintiff Tinfra’s place of citizenship for jurisdictional
23 purposes. “[A] corporation is a citizen only of (1) the state where its principal place of business

1 is located, and (2) the state in which it is incorporated.” *Johnson*, 437 F.3d at 899. As Tinfra
 2 stated in prior court filings and its Complaint, Telnix, Inc., has its principal place of business in
 3 Illinois. (ECF No. 1, ¶ 8; ECF No. 6). Because Telnix’s principal place of business is in Illinois,
 4 Plaintiff Tinfra is a citizen of Illinois.

5 Defendant Bit Cap is also a citizen of Illinois under the tracing test. Like Tinfra, Bit Cap
 6 is an LLC. One of Bit Cap’s members is Realis Group, LLC. Israel Idonije and Kelly Speck,
 7 individual citizens of Illinois, are members of Realis Group, LLC. (*See* Ex. A, Odom
 8 Declaration). This makes Defendant Bit Cap a citizen of Illinois, just like Plaintiff Tinfra.

9 CONCLUSION

10 Plaintiff Tinfra and Defendant Bit Cap are both citizens of Illinois. Complete diversity is
 11 lacking, meaning this Court lacks diversity jurisdiction under 28 U.S.C. § 1332. Therefore,
 12 Defendants request Tinfra’s Complaint be dismissed with prejudice for lack of subject matter
 13 jurisdiction, and such other relief as the Court considers just.¹

14 DAVIS, ARNEIL LAW FIRM, LLP

15 By 
 16 Thomas F. O’Connell, WSBA No. 16539
 17 Attorneys for Defendant Bit Capital Group

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 23 (314) 480-5180
 24 (314) 932-1566 – Facsimile


23 ¹ Assuming *arguendo* the Court retains jurisdiction, Defendants demand a trial by jury.

CERTIFICATE OF SERVICE

I certify that on this date, I sent for delivery a true and correct copy of the document to which is affixed by the method indicated below and addressed to the following:

Bradley P. Thoreson, WSBA #18190 BUCHALTER 1420 Fifth Avenue, Suite 3100 Seattle, Washington 98101 Telephone: (206) 319-7052 Facsimile: (206) 855-5239 Email: bthoreson@buchalter.com		U.S. MAIL
		PROCESS LEGAL SERVICE
		EMAIL
		HAND DELIVERY
		FACSIMILE
	X	CM/ECF Filing System

DATED this 8th day of May, 2023.


By: Kate Escalera

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WASHINGTON
AT YAKIMA

TINFRA, LLC,

Plaintiff,

v.

BIT CAPITAL GROUP, LLC, et al.

Defendants.

Case No. 2:23-cv-00082-ACE

DECLARATION OF JIMMY ODOM

1. I, Jimmy Odom, am a resident of the State of Washington, over the age of twenty-one, and have personal knowledge of the facts stated herein.

2. Defendant Bit Capital Group, LLC, has three members: James Thommes, Jimmy Odom (myself), and Realis Group, LLC.

3. Realis Group, LLC, is an Illinois limited liability company. The document attached hereto as Exhibit 1 reflects publicly available information from the Illinois Secretary of State's website concerning Realis Group, LLC.

4. The members of Realis Group, LLC, are Israel Idonije and Kelly Speck, both of whom are individuals and residents of the State of Illinois.

I declare under penalty of perjury that the foregoing is true and correct. Executed on

MAY 02, 2023

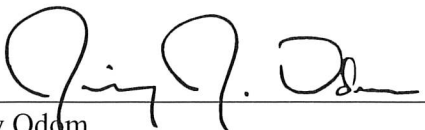

Jimmy Odom

EXHIBIT A



Office of the Secretary of State
ilsos.gov

Corporation/LLC Search/Certificate of Good Standing

LLC File Detail Report

File Number	03676676
Entity Name	REALIS GROUP, LLC
Status	ACTIVE

Entity Information

Principal Office
200 W MADISON 3RD FLOOR
CHICAGO, IL 60606

Entity Type
LLC

Type of LLC
Domestic

Organization/Admission Date
Friday, 15 July 2011

Jurisdiction
IL

Duration
PERPETUAL

Agent Information

3/28/23, 11:37 AM

Corporation/LLC Search/Certificate of Good Standing

Name

C T CORPORATION SYSTEM

Address

208 SO LASALLE ST, SUITE 814
CHICAGO , IL 60604

Change Date

Thursday, 30 August 2012

Annual Report

For Year

2022

Filing Date

Wednesday, 22 June 2022

Managers

Name

Address

IDONIJE, ISRAEL
1420 S MICHIGAN AVE
CHICAGO, IL 606050000

Name

Address

SPECK, KELLEY
1420 S MICHIGAN AVE
CHICAGO, IL 606050000**Old LLC Name**

12/21/2012

REALIS CONSULTING GROUP, LLC

Series Name

NOT AUTHORIZED TO ESTABLISH SERIES

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[Articles of Amendment Effecting A Name Change](#)

[Change of Registered Agent and/or Registered Office](#)

(One Certificate per Transaction)

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Tue Mar 28 2023